

# **Exhibit \_ (JEA-5A)**

**Originally Filed As Exhibit \_ (JEA-4) to  
Direct Testimony of  
Jimmy Addison  
on Behalf of  
South Carolina Electric & Gas Company in  
Docket No. 2017-370-E**

**Key Provisions of the  
Base Request**

The Base Request will become SCE&G's request only if the Customer Benefits Plan is not approved or the Merger does not close, and the Commission also rejects the No Merger Benefits Plan. The key provisions of the Base Request are as follows:

1. There are no rate mitigation terms under the Base Request apart from the Company's decision not to seek rate relief in the current docket.
2. The following accounting provisions which apply under the Customer Benefits Plan would apply also under the Base Request:
  - a. Transmission Investments, switchyard investments, and investments in assets used in operating V.C. Summer Unit 1 will be subject to the accounting treatment provided for Transmission Investments under the Customer Benefits Plan as described in Paragraph 105-108 of the Joint Petition and Paragraph 2(a) of *Exhibit 10*;
  - b. The Company requests a determination of the prudence of the decision to abandon the project as described in Paragraph 127 of the Joint Petition;
  - c. The Company requests a determination of the prudence of the Capital Costs set forth on *Exhibit 13* as described in Paragraphs 128-129 of the Joint Petition; and

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- d. The Company requests that the Commission adopt the cost schedule as set forth in *Exhibit 13* as the cost schedule for the project in abandonment;
3. The following accounting provisions which apply under the No Merger Benefits Plan would apply equally under the Base Request:
    - a. The accounting for the Toshiba Corporation Guarantee Settlement Payments described in Paragraphs 1(e) of the *Exhibit 10*; and
    - b. The provisions of the No Merger Benefits Plan concerning the accounting treatment of the capital costs of the NND Project although there is no write down of these costs.
  4. SCE&G does not seek any rate changes of any kind under the Base Request.
  5. Regarding miscellaneous accounting matters, under the Base Request, SCE&G would not write down regulatory assets valued at approximately \$320 million, as described in the Customer Benefits Plan, but instead requests that the Commission:
    - a. Authorize SCE&G to continue to defer as a regulatory asset, as authorized under the provisions of Order No. 2013-776, the net costs of certain interest rate swap agreements which are not already being amortized, which interest rate swaps SCE&G executed in order to lock in interest rates for debt it planned to issue to finance the units, and authorize

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SCE&G to begin amortizing these costs over 50 years upon the issuance of the order in this proceeding;

- b. Affirm that the deferral of the cost of benefits lost under Section 199 of the Internal Revenue Code, 26 U.S.C.A. § 199, as authorized in Order No. 2016-820, shall also apply to benefits lost as a result of the abandonment of the Units; and
- c. Reaffirm prior orders with respect to the amortization of other regulatory assets described in the Customer Benefits Plan.